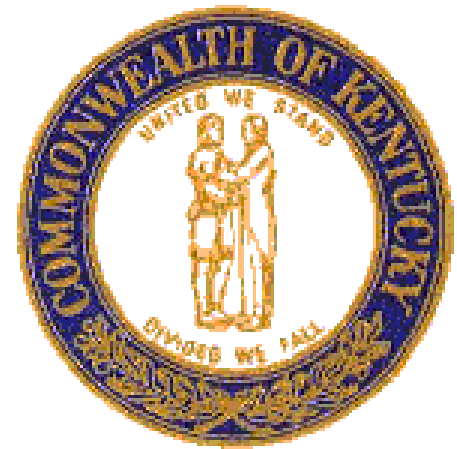


Creating Value from Human Resources: An Examination of Best Practices in Public Human Resource Agencies



Christel C. Slaughter, Ph.D.
SSA Consultants

***The ultimate measure of HR programs is
how well they help attract and retain
customers and improve their satisfaction.***

**Dave Ulrich and Wayne Brockbank
HR Magazine, June 2005**



It's all about...

VALUE

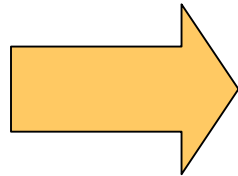


But, Who are Your “Customers”?



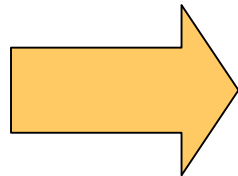
Traditional HR Role: Create Value for Internal Stakeholders

Employees



**Competent
and Committed**

Line Managers



**Deliver Strategy and
Reach Agency Goals**



HR in the New Millennium

Focus on Two Levels:

Internal Customers

External Customers



Traditional Focus: Internal Customers

- How well do you know your agency HR professionals, department heads, key leaders?
- Do they view you as a partner, an advocate, an approval mechanism?
- Do you know their biggest challenges?



New Focus: External Customers

- How well do you know the concerns of regulated industry?
- What about citizen concerns about crime, safe roads, tax questions?
- Could you articulate frustrations with permitting and licensing processes?



Change at Warp Speed for HR Professionals

- HR professionals from high-performing organizations have substantially greater knowledge of external factors than their less-successful counterparts.
- They help external customers become connected to the organization.



HR's Emerging Role...

**To improve customers'
experiences and deliver value
through customer share.**



How???

- Develop customer literacy
- Think and act like a customer and competitor
- Measure and track targeted customers and contribute to their value proposition
- Align HR practices to the customer value proposition
- Engage target customers in HR practices



Customer Literacy

- Who are they?
- Why are they here?

REMEMBER THE 80/20 RULE!!!!



Customer Loyalty Questions

- Were you satisfied with our service?
- Would you want to work with us again?
- Would you recommend us to others? Or, if you had a choice would you work with us again?



Think Like a Customer and Competitor

- Mystery shop the agency
- Review customer feedback
- Attend meetings with program/agency people and their customers
- Observe processes, regional offices



Monitor Results

- Link to performance appraisals
- Reward and recognize superior customer service
- Assist in gathering customer data





Q

Is there a proven, effective method for determining how satisfied customers are?



A

Yes. Ask them.



Ask...

- Overall, how satisfied were you with your experience?
- How responsive was the employee who served you?
- How reliable was the employee who helped you?
- How much empathy did he/she demonstrate?



What is the Cost of Poor Service in Public Services?

- Outsourcing
 - *DOT's and DPW's outsource design work*
- Agency consolidation
 - *Commissioner of Elections*
- Oversight or new agency creation
 - *FBI and Department of Homeland Security*



Understanding Customer Expectations

Before an organization can develop service innovation priorities, it's important to learn as much as possible about customers' expectations. How many of the following expectations apply to your customers? Can you add any?

Professionalism
Prompt delivery
Compatibility with their operations
"Easy" buying
A smile (on your face or in your voice)
Clear instructions
Courteous telephone manners
Prompt return of phone calls
Follow up
Deadlines are met
Awareness of their problems
Anticipation of their needs
Flexibility
Quality service
Sincere efforts to meet their needs
Satisfaction guaranteed
No surprises
Quick response to changes
Positive attitudes
Prompt handling of
problems or mistakes

Personal service
To be listened to
Top value for their dollar
Full disclosure
Convenience
Integrity
Options
No "hidden" costs
No recorded messages in the
service department
No pressure
To be as important after the
sale as before
To keep your promises
To be known by name
Competitive pricing
Discounts for
volume purchases
A commitment to quality,
service and innovation
The pursuit of excellence in
all you do

Customer service support systems
Detailed and understandable billing
A direct line to the agency head
when necessary
Application of the golden rule
Ability to meet "special" needs
Respectful of the competition
Results, not excuses
Training on effective use of products
and services
Prompt refunds
Hassle-free replacements
A thank you



Feedback

In order to be successful, an organization should have established methods of getting feedback from its customers. Below are some ways to find out how your customers think and feel about your services. Place a check next to those items you think are appropriate for your agency.

- ☐ Listening carefully to what customers have to say
- ☐ Checking back regularly to see how things are going
- ☐ Making comment cards available to customers
- ☐ Providing a special phone number for customers to call for questions, problems or suggestions
- ☐ Asking other employees to solicit regular feedback when appropriate
- ☐ Ensuring the manager has regular customer contact
- ☐ Providing a method that invites customer criticism and responding constructively to any complaints
- ☐ Acknowledging all positive comments and reactions, as well as any negative ones
- ☐ Other: _____
- ☐ My ideas for improving feedback: _____



It's Not Just the Toolkit...

***...It's what the craftsman
does with it!***



Align HR Practices

- Staffing
- Training
- Rewards
- Communication
- Governance



Engage Customers

- Staffing – major airlines, hospitals
- Training and development – General Electric
- Appraisals and rewards
- Governance and communication – Medtronic, EMS



New Trends in Staffing

- Hard to find talent
- Making room for more qualified staff
- Creative use of temps
- Testing and soft skills



Current Trends in Performance Review

- More strategic
- Learning opportunities
- Linked to technology
- More flexible and decentralized
- Forced ranking
- 360° feedback



Forced Rankings

- “Rank and Yank” systems
- Ranking everyone in an agency or division
- Used to allocate pay or workforce reductions
- 20% of US private companies use them – Microsoft, Conoco, Ford Motor, ExxonMobil...



Rank and Yank

- Align employee evaluations with predetermined performance distribution percentages

Person vs. Person
NOT
Person to Established Standards



Vitality Curve – Jack Welch

- A's – High performance, high potential
- B's – Medium performance, medium potential
- C's – Slugs

Lop Off Your Bottom-Dwellers



360° Feedback Evaluations

- Retention focused and rave reviews
- Objectives are clearly defined
- Competency model and instrumentation are well researched, reliable and valid
- Feedback reports are easy to interpret
- Linked to development tools and processes



Compensation System Innovations

- On-the-spot bonuses
- Team-based pay
- Skill-based pay
- Competency pay
- Retention bonuses
- Benefits – flexible, more comprehensive



Pay for Performance

- Organizational goals, division or unit goals, individual goals
- Must be measurable
- Periodic feedback
- Customer satisfaction, employee satisfaction and financial performance are common



Pay at Risk

- Lower percentage of merit (more like COLA)
- Higher percentage based on objective measures
- Project completion, benchmarks, quality, etc.



Why Do Good People Leave?

- Often it's not about \$\$\$\$\$
- Often it is about money



Why Do People Stay?

- Career growth
- Exciting work
- Meaningful work
- Great people
- Part of a team
- Good boss
- Recognition
- Fun on the job



***Compensation is a right;
recognition is a gift.***

Rosabeth Moss Kanter



Loyalty a Paycheck Can Never Buy

I moved here from Canada thinking that I would only stay a few years. The first year I was here, my father suddenly got very sick. I went back to Canada at Thanksgiving to see him and he died two weeks after I got back. I couldn't afford to bring my children back for the funeral, so my manager and co-workers put up the money for our airline tickets.

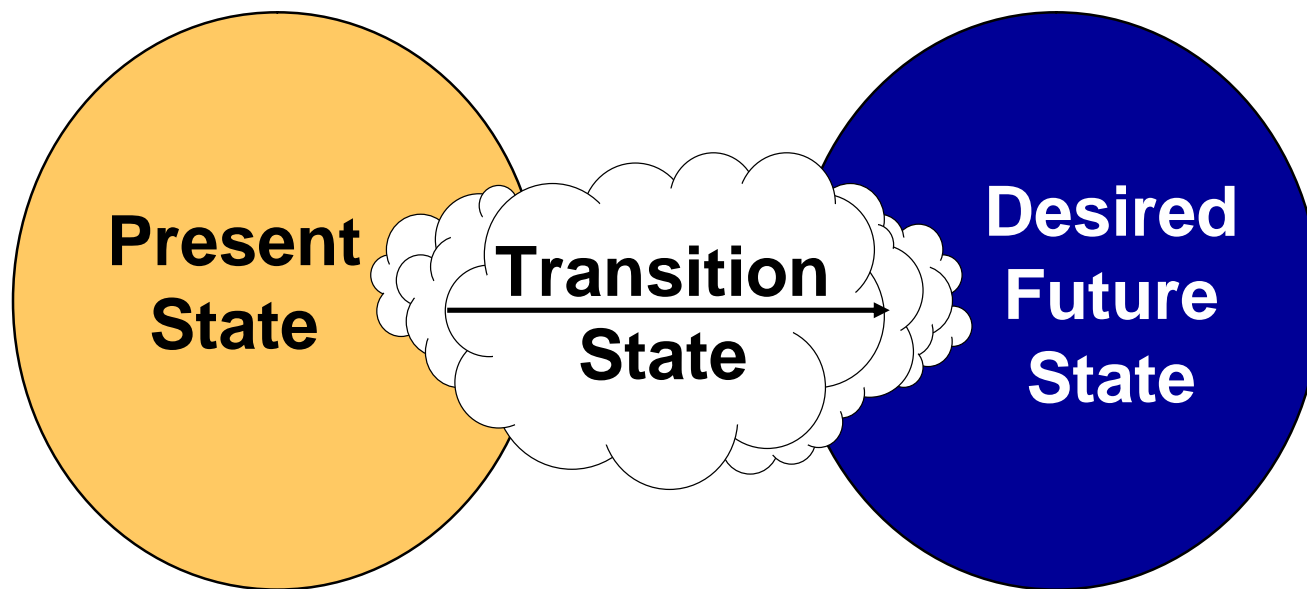


The New Motivation

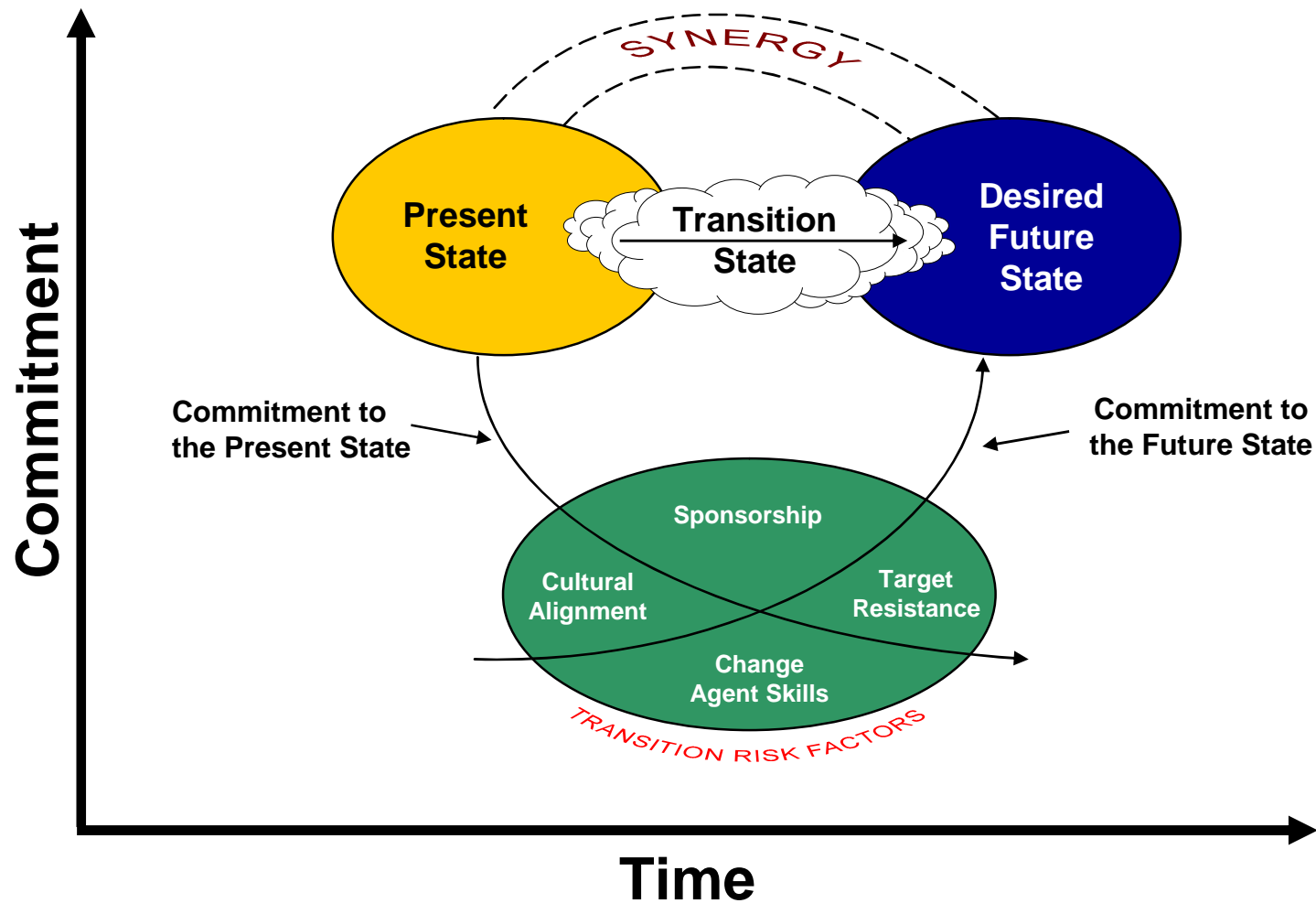
- The role of the supervisor of the future will be the “Chief Retention Officer.”
- You will need to deal with unique individuals, with unique motivational drivers.
- How will you recruit and identify these managers?



Managing the Transition



A Model for Managing the Transition



Conner, *Managing at the Speed of Change*, 1992

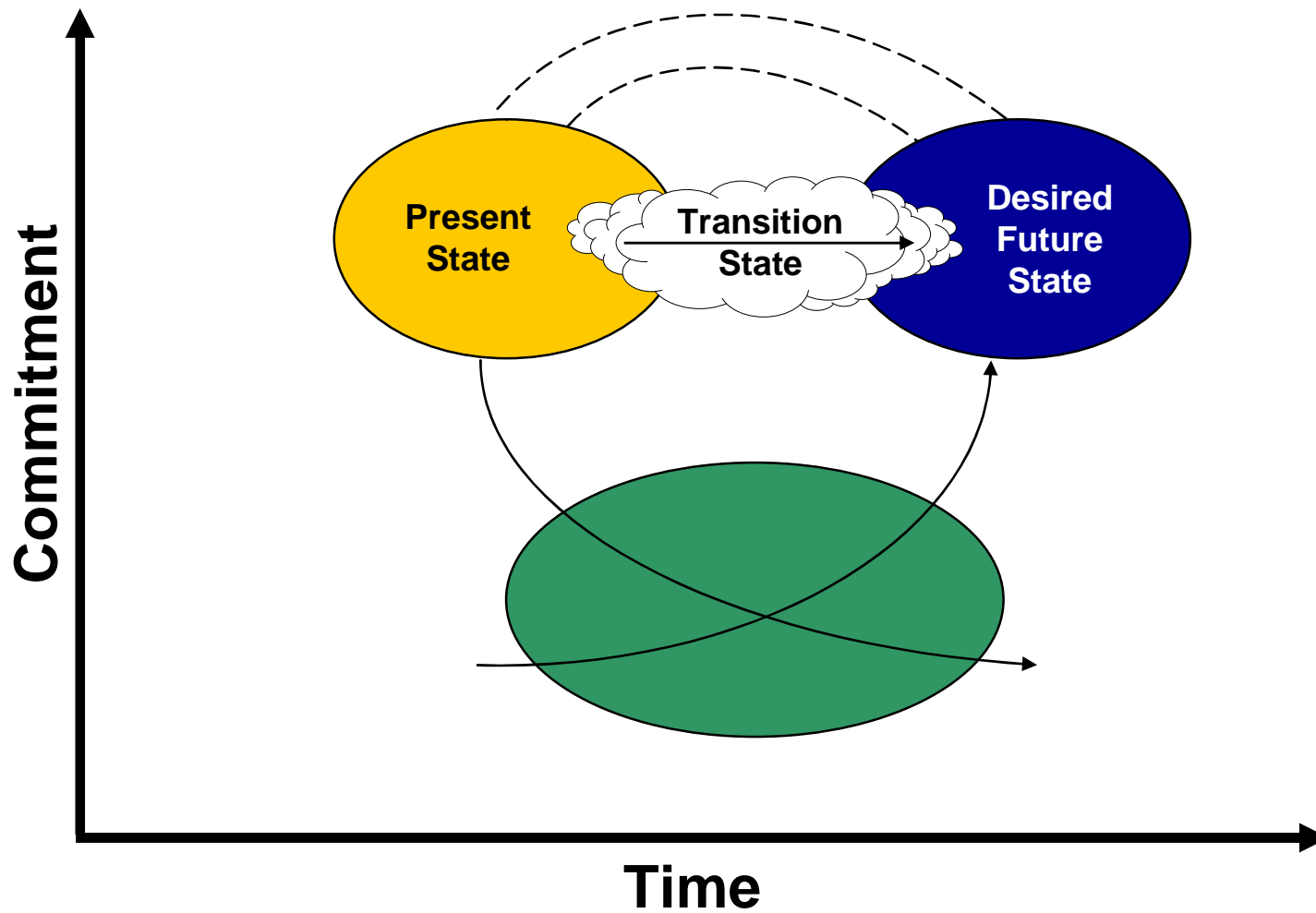


The Seven Deadly Sins of Change Management

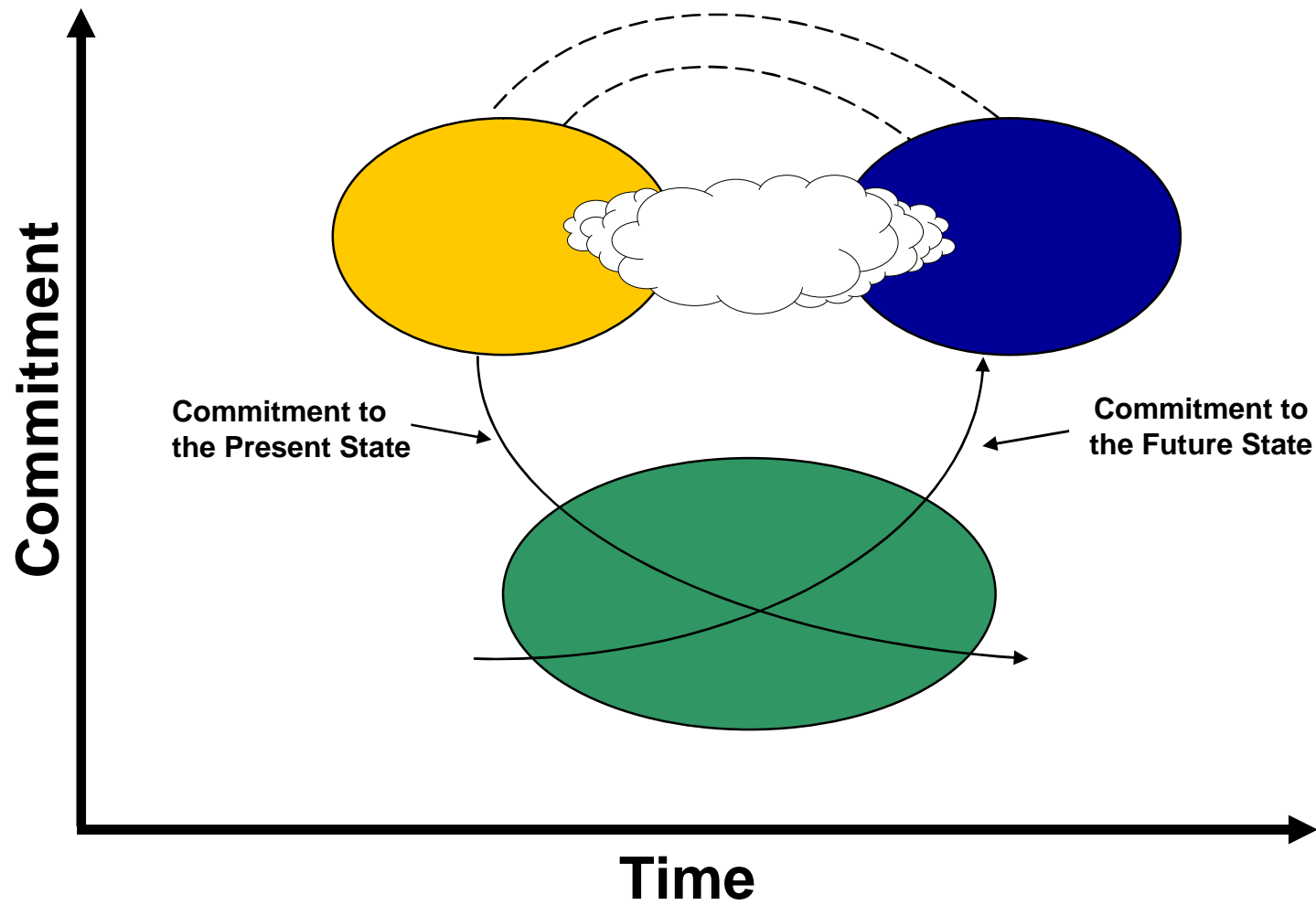
- Underestimating the time needed
- Not giving up commitment to the past
- Ineffective “pain management” and remedy selling
- Weak sponsorship
- Resistance
- Ineffective change agent
- Misreading the culture



Change is a Process



Commitment



Types of Pain

	<i>Problem</i>	<i>Opportunity</i>
CURRENT PAIN	“We’re in trouble now.”	“If we act immediately, we can take advantage of this situation.”
ANTICIPATED PAIN	“We’re going to be in trouble.”	“In the future, we could be in a position to profit from what is going to happen.”



Pain Management

- The process of consciously surfacing and orchestrating certain information in order to generate the appropriate level of pain to discontinue the status quo.
- Vehicles:
 - One-on-one interactions
 - Meetings
 - Newsletters
 - Memos



Burning Platforms

- A burning platform-type decision is at hand when the organization is facing a major, disruptive change in which the cost (pain) for the status quo is prohibitively high.



Creating the Burning Platform

1. Share what competitors are doing.
2. Explain your organization's finances and budget trends.
3. Share your organization's vision and future ideal.
4. Clarify the impact on the organization and employees of a particular situation or issue.
5. Conduct an organizational survey. Feed it back to "x."
6. Collect interview data and feed it back to "x."
7. Re-explain job expectations/standards of performance.
8. Change the reward system (individual – team – organization-wide).
9. Discuss changes in the environment that impact the organization.
10. Discuss why there is a need to change.
11. Explain the organization's strategic plans and direction and why they are chosen.

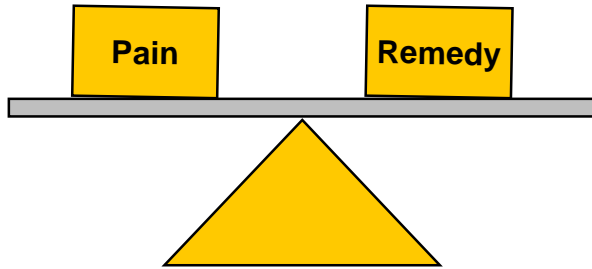


Creating the Burning Platform *cont . . .*

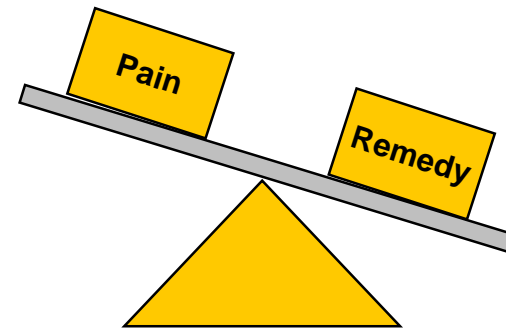
12. Set goals with employees.
13. Examine employee data such as turnover, etc.
14. Conduct an unfiltered upward feedback meeting.
15. Change the roles of key informal leaders.
16. Feed back customer perceptions and data.
17. Conduct focus groups of employees or customers.
18. Change the location of management offices to be closer to the workers.
19. Set up task forces to analyze issues and recommend solutions.
20. Explicitly evaluate employees (including senior management) on your espoused values.



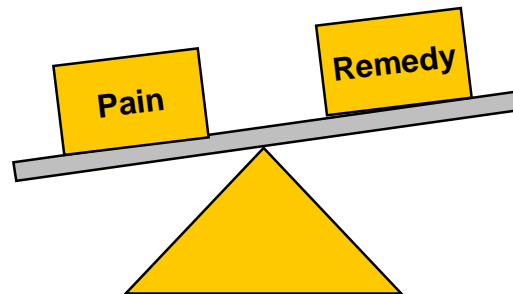
Pain Management and Remedy Selling



**Sustained
Change**



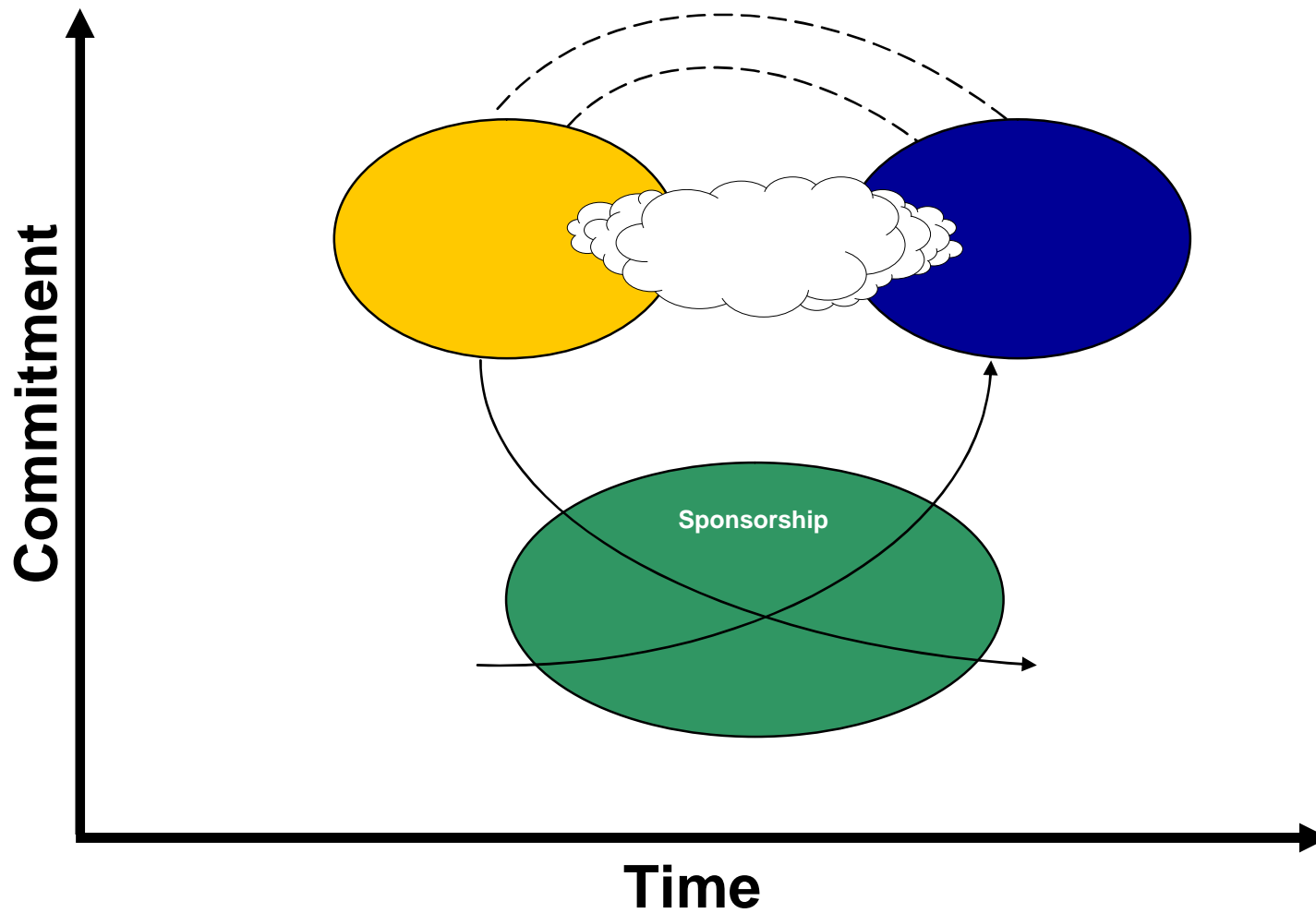
**Superficial or
No Change**



Ulcers



Transition Risk Factors: *Sponsor Commitment*

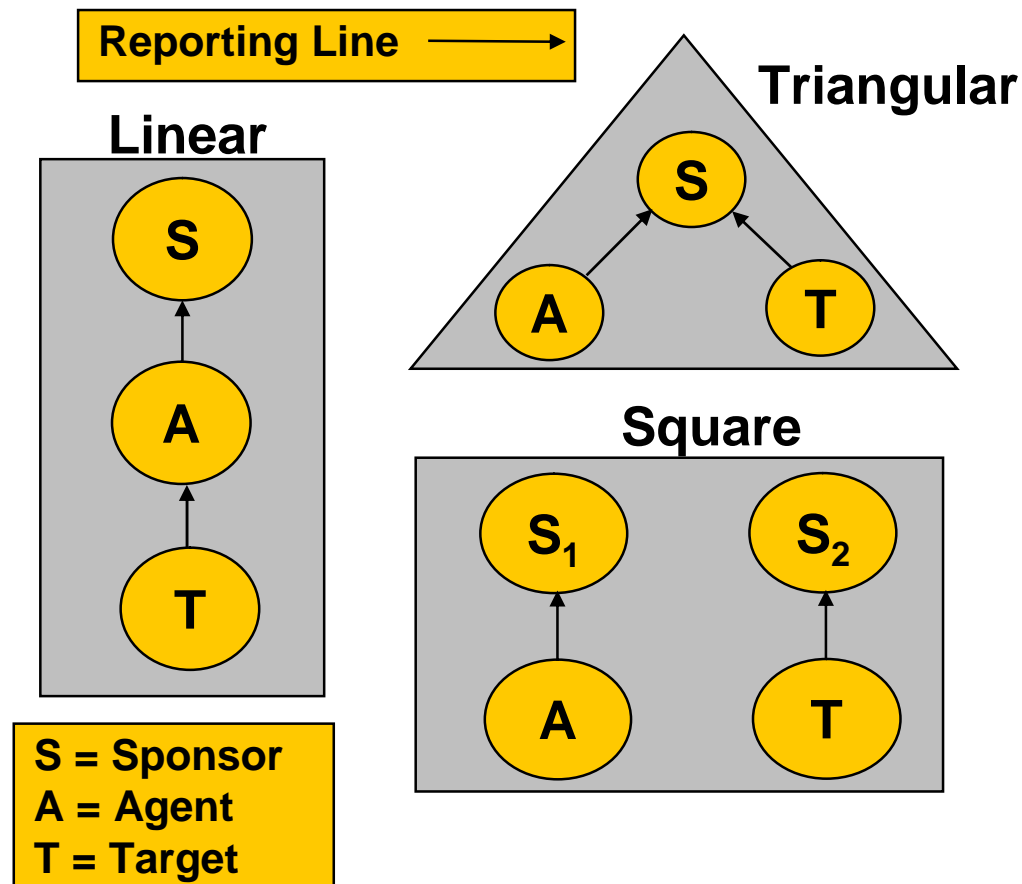


Key Roles in the Change Process

- **Sponsor** Individual or group who legitimizes the change
- **Agent** Individual or group who is responsible for implementing the change
- **Target** Individual or group who must actually change
- **Advocate** Individual or group who wants to achieve a change but does not possess legitimization power

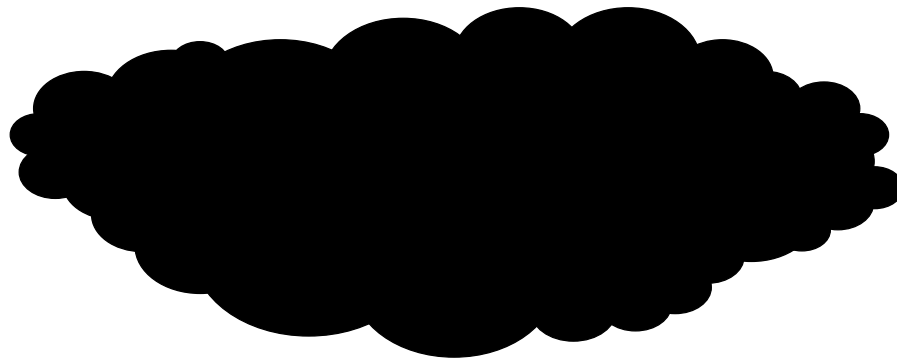


Key Roles: *Three Basic Structures*

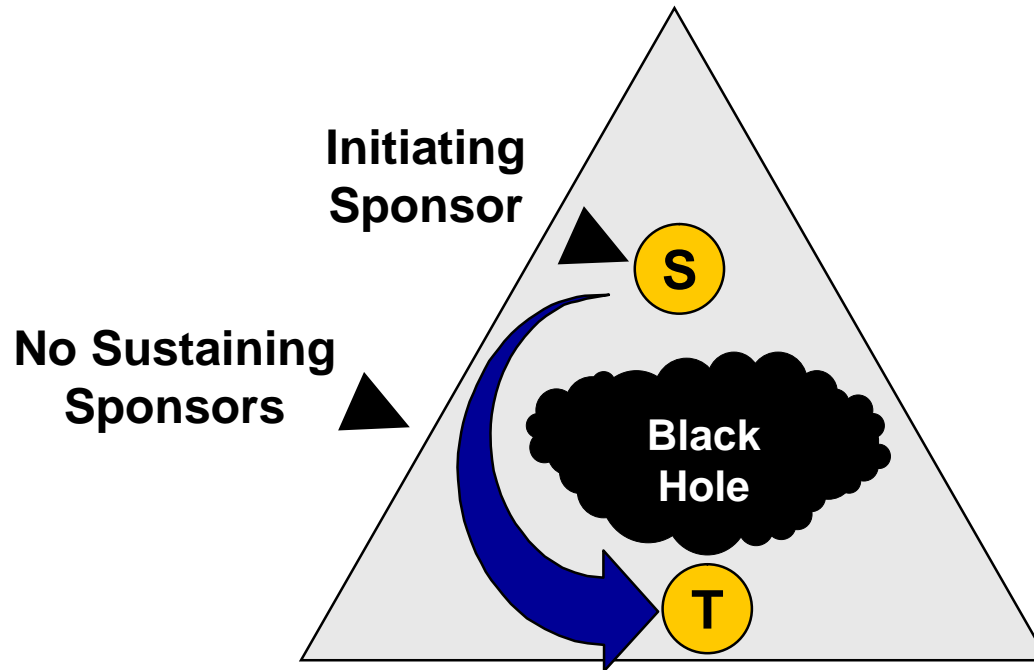


Black Holes

- The term is borrowed from astrophysics. These mysterious spots in the universe have a gravitational pull so strong that everything, including light, is pulled in – and little or nothing emerges.
- There are spots in bureaucratic structures that display the same characteristics – the rhetoric of change goes into these areas but nothing ever happens.
- The cost for black holes can be devastating:
 - The organization loses confidence in its leadership when management can't successfully fulfill the promise of their announced intentions.
 - The result is people learn to ignore management directives.



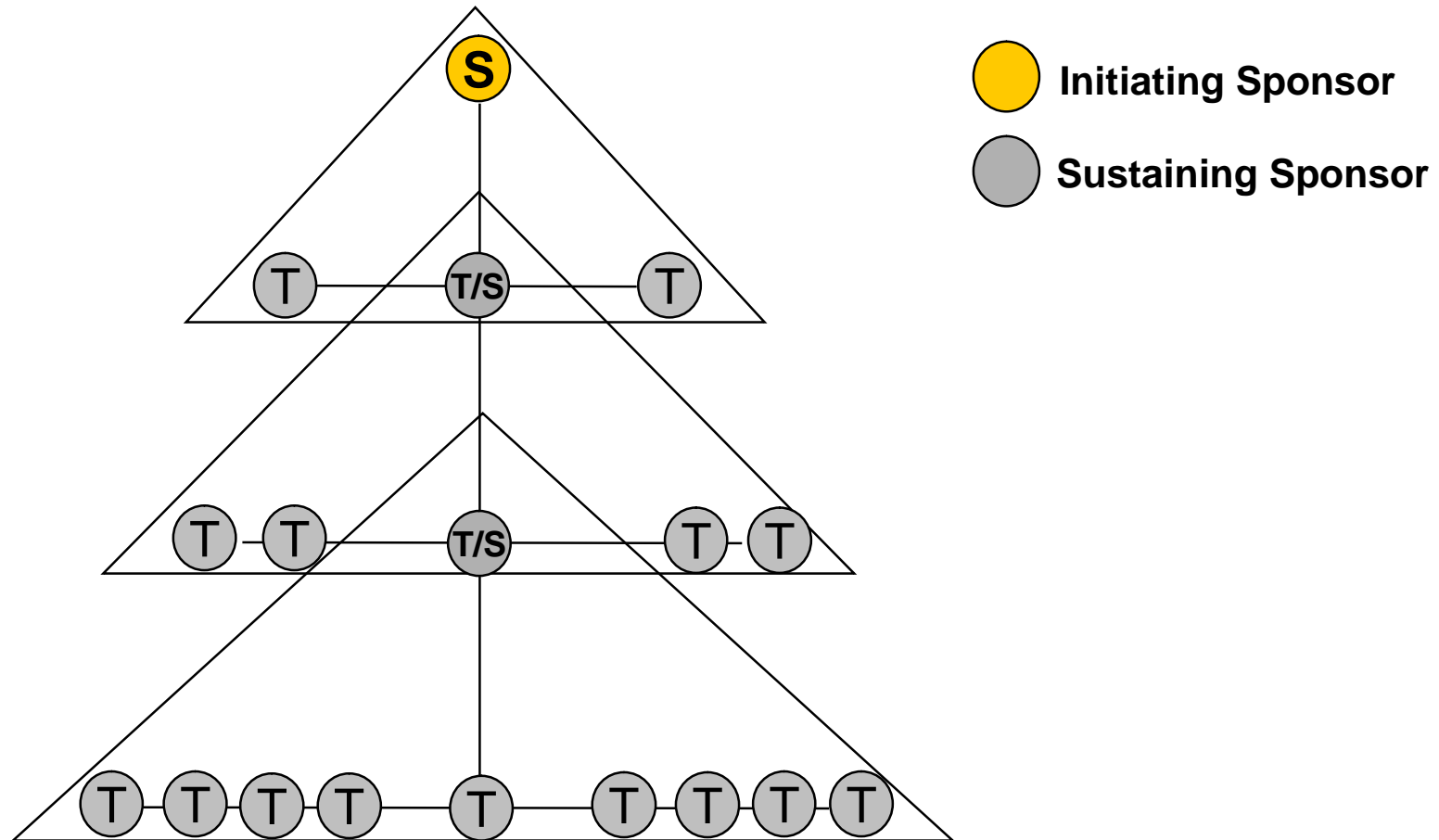
Ineffective Sponsorship



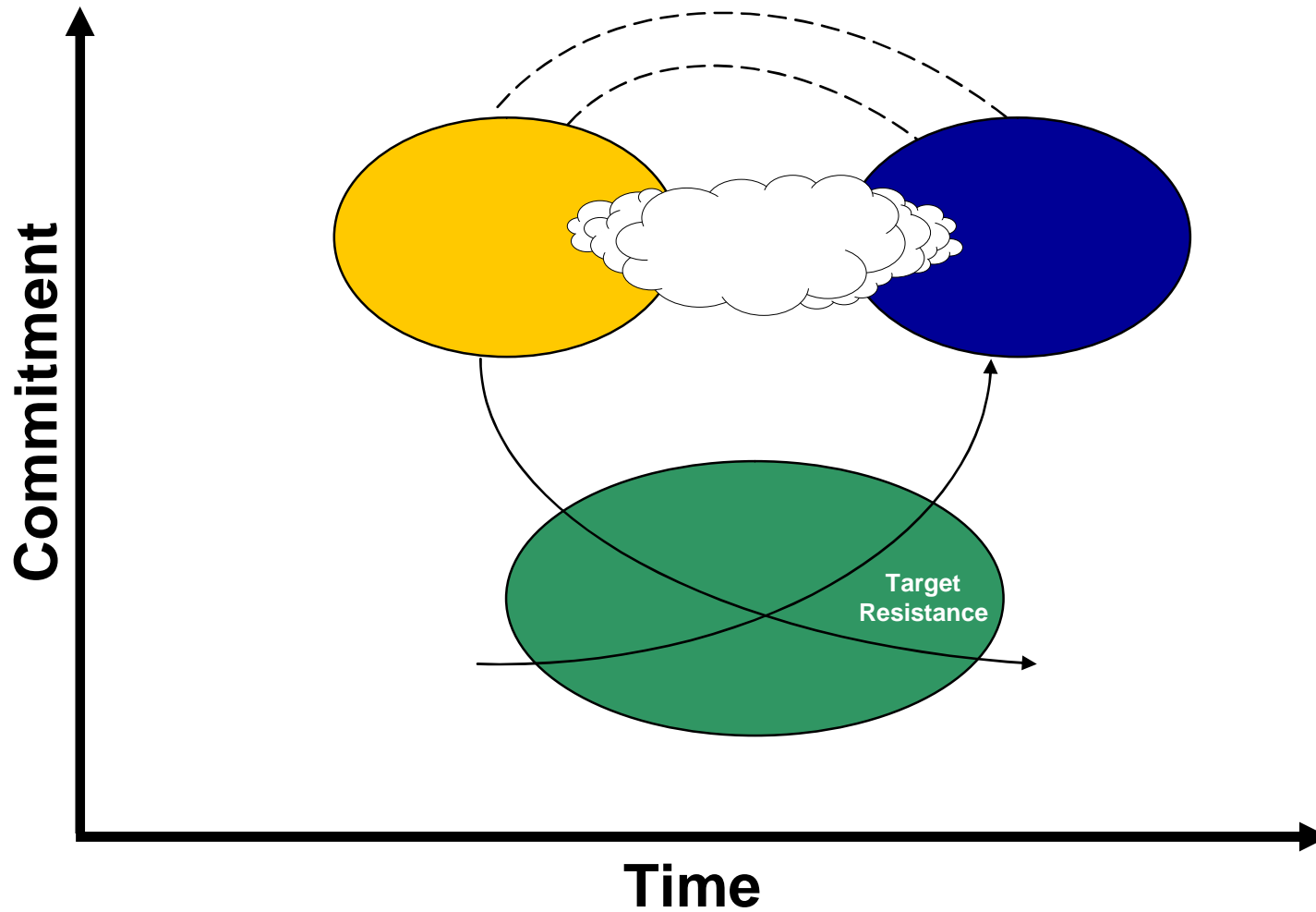
- **Symptom**
 - Inability to generate sufficient sustaining sponsorship
- **Results**
 - No change
 - Superficial change
 - Short-term change
 - Distorted change



Effective Sponsorship



Transition Risk Factors: *target Resistance*



Resistance to Change

Here are some of the reasons why people “resist” change:

- New goals not accepted
- Reasons for the change not communicated well enough
- Fear of the unknown
- Fear of failure in the new situation
- People like the current situation
- They supported another approach to change
- Purposes of the change not clear
- People don't like the individual or group announcing the change
- People weren't involved in planning the change
- The change conflicts with plans set for the current system
- New goals are unimportant to people
- People have a different perspective on the problem

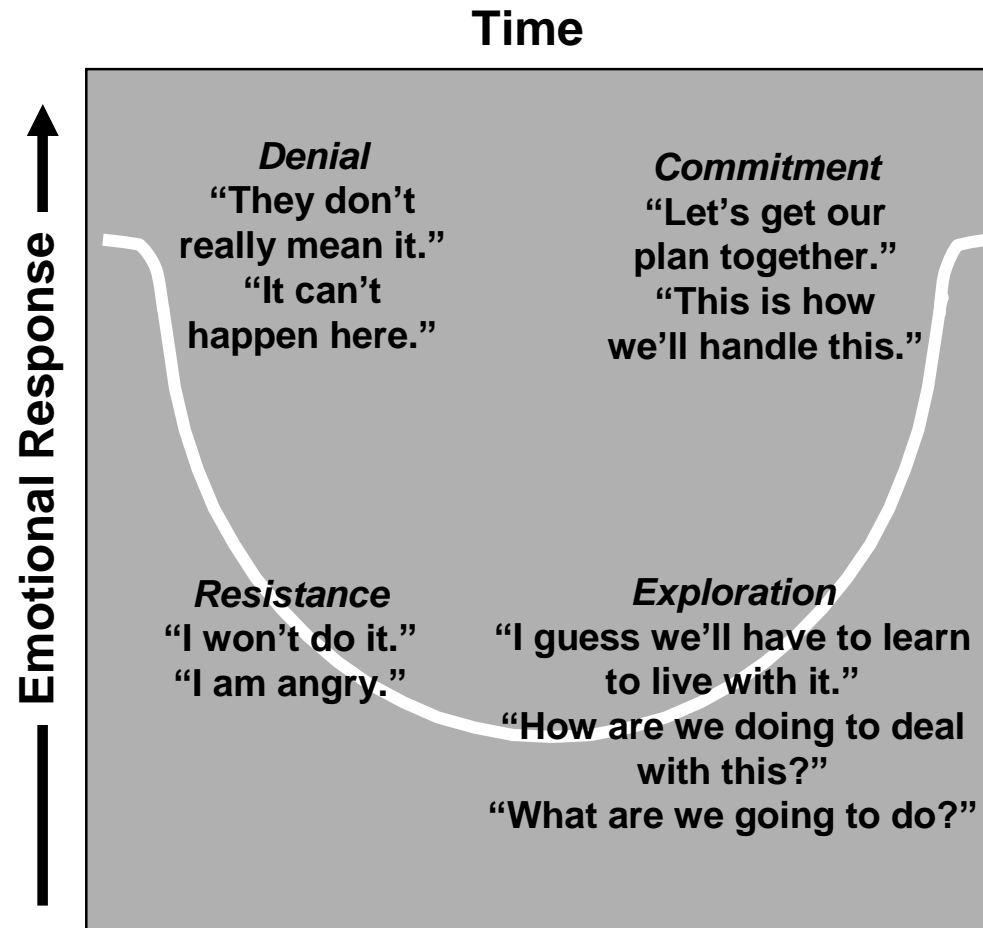


Resistance to Change *cont . . .*

- The situation is seen as an opportunity to oppose management
- Accidental misstatements during the announcement of the change set off resistance
- People resist leaving friends or comfortable surroundings
- People see change as an attack on their performance to date
- The timing is wrong – or is perceived as wrong
- People see management as introducing change to make themselves look good – with nothing for them in the change
- People resist this change, even one they see as desirable, due to their fear that the next change may hurt them
- Fear of having to learn a new job, or work harder
- Fear or loss of status, or rights or privileges in the new situation
- Resistance to change just because it is change



Resistance to Negatively-Perceived Change



Examples

- **Denial**

- It will be over real soon
- Apathy
- Numbness



- **Resistance**

- Can't sleep at night
- Anger/fights
- Gave my all and now look what I get
- Withdrawal from the team



- **Commitment**

- Teamwork
- Satisfaction
- Clear focus and plan



- **Exploration**

- Overpreparation
- Frustration
- Too many new ideas
- Have too much to do
- Can't focus

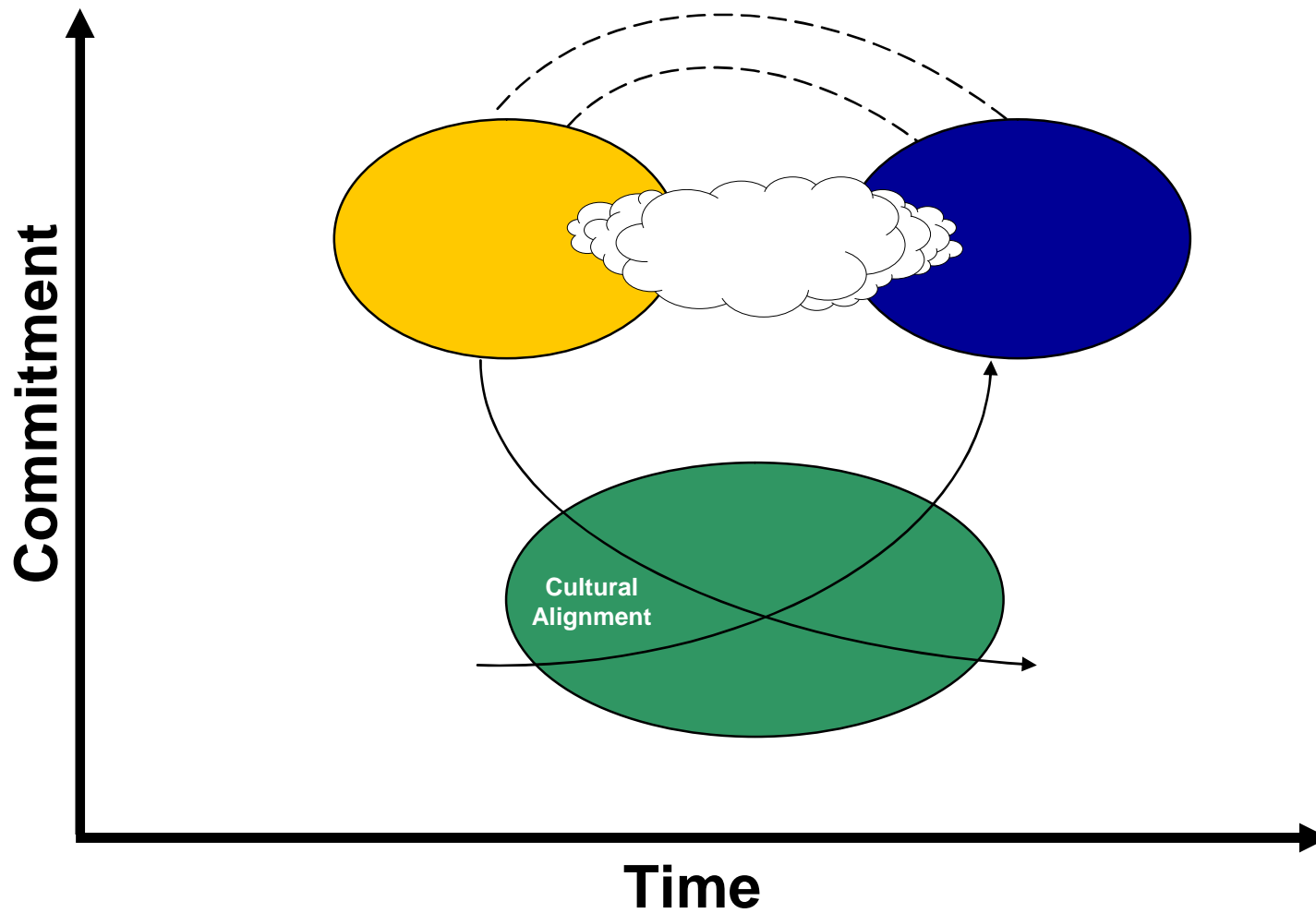


The Basic Characteristics of Highly-Resilient People

- Positive
 - Display a security and self-assurance that is based on their view of life as complex but filled with opportunity
- Focused
 - Have a clear vision of what they want to achieve
- Flexible
 - Demonstrate a special pliability when responding to uncertainty
- Organized
 - Develop structured approaches to managing ambiguity
- Proactive
 - Engage change rather than defend against it



Transition Risk Factors: *cultural Alignment*

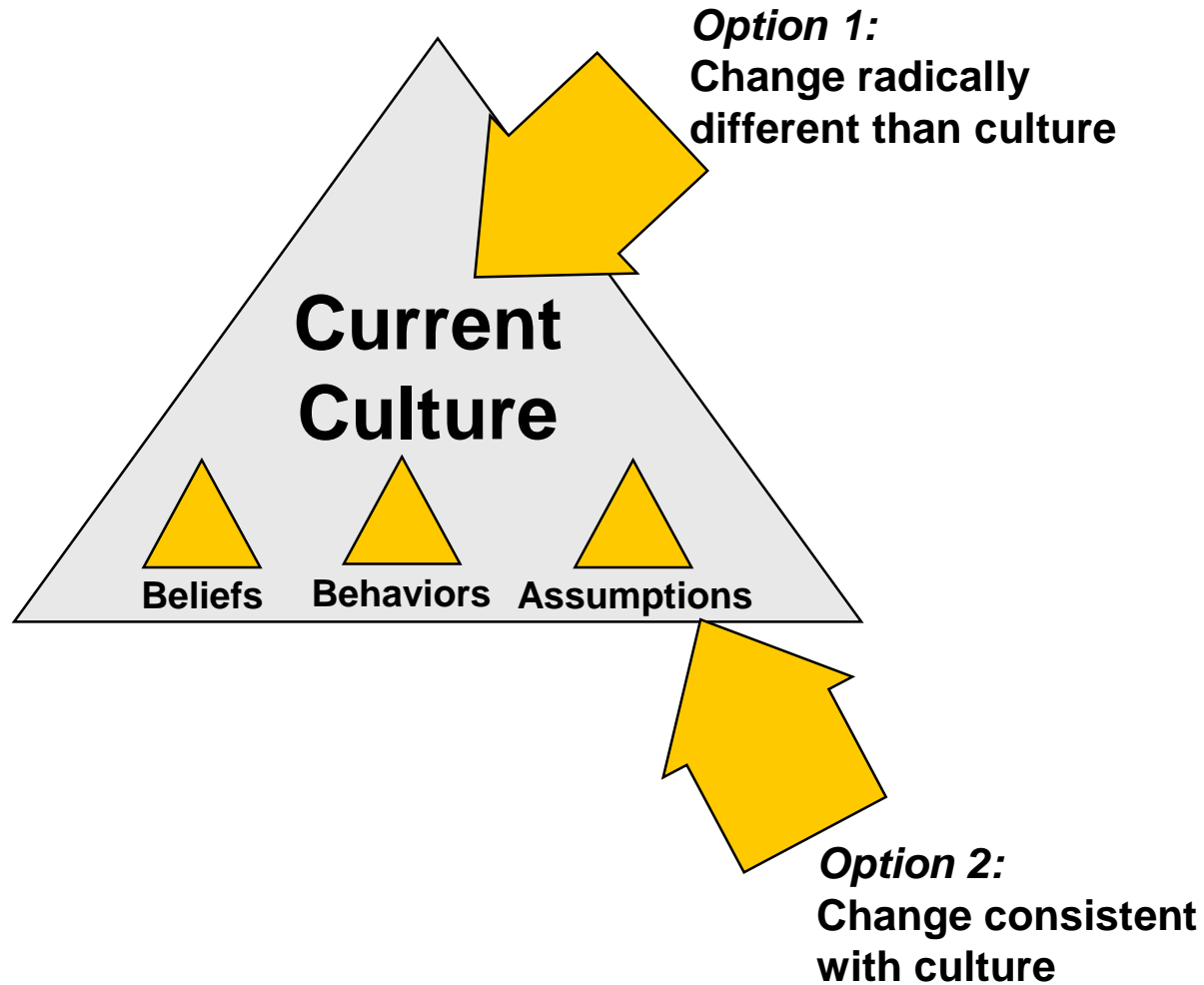


Definition of Culture

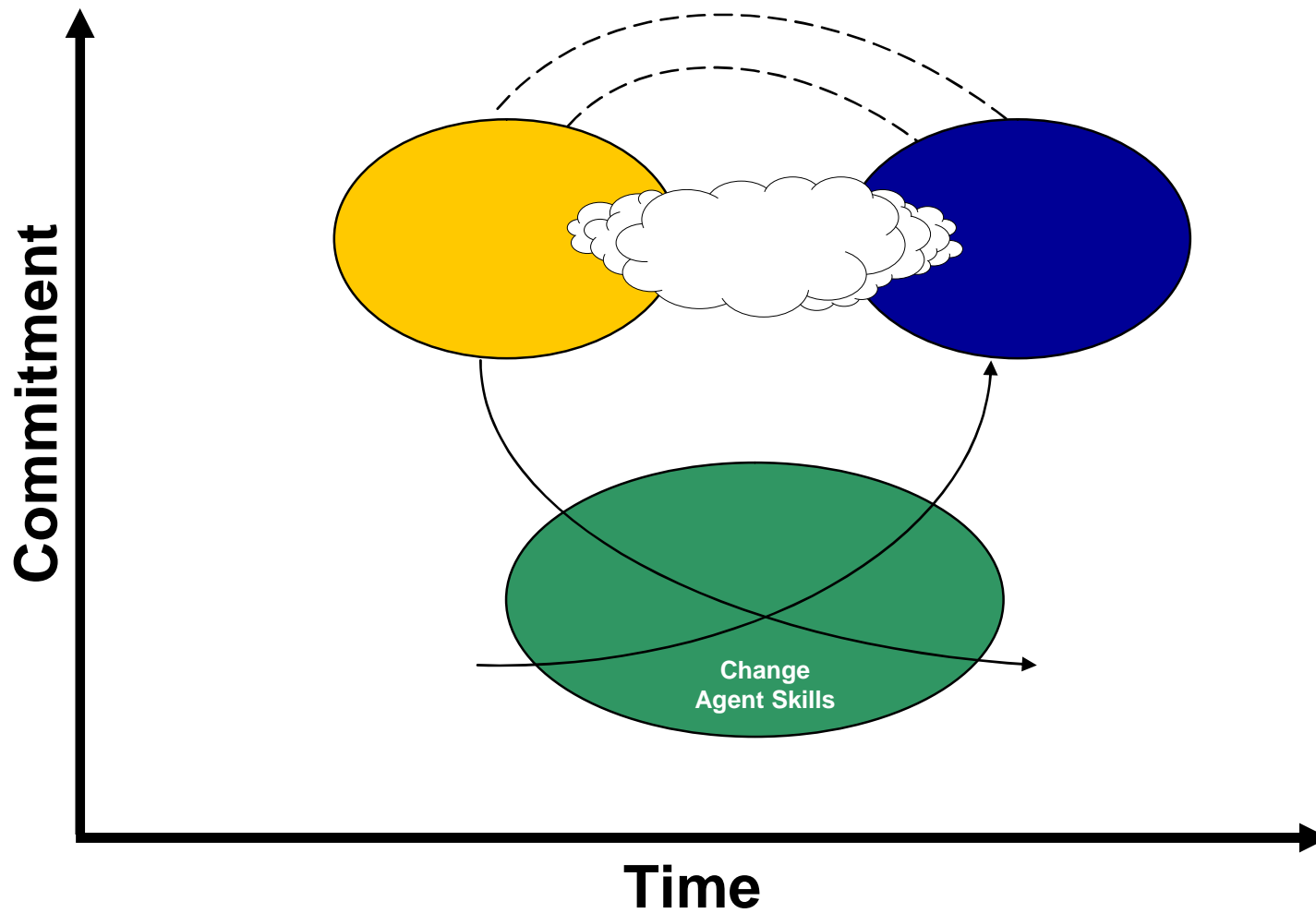
- Corporate culture is the basic pattern of shared beliefs, behaviors and assumptions acquired over time by members of an organization.
 - “The way we do things around here”



Introducing Change: *Two Options*



Transition Risk Factors: *Change Agent Skills*



Advice for Agents

- Don't take bad business
- Don't work harder than your sponsor



Making Changes

- Describe the future state. What will the department (division) be like when the change has been implemented?
- Describe the present state. What is happening in the department (division) now? What is the problem or lost opportunity, as you see it now?
- Who decided this change needed to occur? What is his/her influence ability in the organization?
- What is your position in this change effort? What role will you play?
- What are action steps that need to be taken to implement the change? What are the dates for implementing each step?
- What are the factors helping the change?
- What are the factors hindering the change?
- What people and departments (divisions) will the change impact?



Tools Which Will Be Needed to Implement the Change

- What information will the people need? How will they get this information? How often?
- What kind of training will they need?
- What technology will help them as they implement this change?
- Do they need more people? Does restructuring need to be done?
- How will the change impact the budget? Does the budget need to be increased?
- What red tape can be removed?
- Will the people be allowed time/opportunity to make mistakes as they implement the steps in the change? How will they know this?
- How will feedback on the change be gathered?



Some Ways of Reducing or Eliminating Resistance to Change

- Involve interested parties in contributing to the planning of change.
- Clearly define the goals and objectives for the change.
- Transmit the goals and objectives for the change in written form to all involved, to reduce misunderstanding.
- Address the “people needs” of those involved. Disrupt only what needs to be changed. Help people retain friendships, comfortable settings, and group norms wherever this is possible.
- Have the group involved in planning the change announce the change.
- Design flexibility into change. Make change in a phase-in way, where this is possible, to allow for the completion of current efforts and the assimilation of new behaviors.
- Design open sessions where those involved can air their feelings about the change.
- Be open and honest. Don't pretend that negative aspects of the change don't exist. Don't try to maneuver employees or trick them (not at this moment or any other).



Some Ways of Reducing or Eliminating Resistance to Change *cont . . .*

- Do not leave openings for a return to the status quo. If you are not ready to commit yourselves to the change, don't announce it. Once you make your decision, do not waver. To do so is to encourage resistance.
- Continually focus on the positive aspects of the change.
- Look for areas of agreement between yourself and your opposition.
- Do not attack; be reasoned and controlled while not abusing your opposition or those involved in the change.
- Time the change – its planning process, announcements and implementation – as well as possible.
- Establish the parameters of the change and attempt to close off unwarranted fears that this change is an implication of future change.
- Attempt to design change to reverse as few rights, benefits and privileges of the people involved as possible.
- Design adequate retraining and adjustment mechanisms into plans for change.



How to Initiate Change: *Some Ideas*

- Start small
 - Change your behaviors first; let that change have time to make an impact
 - Practice active leadership; get out and listen; talk informally about what you want, search for examples and recognize (use the 45-minute, five-day workout)
 - Get groups together informally and talk about this conference – plant the seeds
- Create pockets of excellence
 - Get volunteer groups; lavish support, training, resources, encouragement and recognition
 - Be patient – don't push others; they will learn this is important and see its benefits



How to Initiate Change:

Some Ideas cont...

- After some success, expand
 - Always choose the best possibility for success
 - Set a slight challenge; don't reach too far at first
 - Recognize success; be patient with problems
- After general (not total) acceptance, institutionalize
 - Develop vision and philosophy
 - Announce expectation of all
 - Implement organization-wide
 - Measure individuals and measure program results
- Celebrate your success



Warp Speed

Mario Andretti once said....

***If you feel like you have it under control –
you're probably not going fast enough!***



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- *The HR Value Proposition*, Dave Ulrich and Wayne Brockbank, Harvard Business School Publishing, 2005
- For a complete copy of this presentation, please email Jill Waguespack at jwaguespack@consultssa.com

